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Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
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TO FARM JOURNAL EDITORS:

The following information is for your use.

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TO COMPLETE CORN-HOG REFERENDUM BY OCTOBER 12

The referendum to corn-hog contract signers in all parts of the United States on adjustment plans to follow the 1934 program will be conducted by local corn-hog committeemen during the two weeks ending October 12, it is announced by Chester C. Davis, Administrator. Two questions will be considered and voted on by corn-hog producers at the local meetings:

Do you favor an adjustment program dealing with corn and hogs in 1935?

Do you favor a one-contract-per-farm adjustment program dealing with grains and live stock to become effective in 1936?

The vote on these questions concerns plans to follow the 1934 corn-hog producers who have had the benefit of one year's experience in the 1934 corn-hog program. These contract signers total 1,200,000 and represent 80 to 85 percent of the commercial corn and hog production of the United States. A separate poll of non-signers who produced at least 10 acres of corn for grain in 1934, or who produced hogs for market in 1934, may, however, be taken at the option of the Boards of Directors of the county corn-hog control associations.

In the minor corn-hog producing areas, with fewer than 50 contract-signers to a county, the balloting on questions may be conducted at county-wide meetings instead of at community meetings. Where there are fewer than 25 contract signers in a county, a vote of contract signers may be taken by mail.

"This referendum is a continuation of the Administration's policy to obtain the views of the majority of producers before taking any action with respect to the adjustment of production of a basic commodity," Mr. Davis said. "It now is time for corn-hog producers to decide their course for next year. The production control associations formed during the past

year provide a means never before in existence by which farmers may express their wishes directly to the Administration.

"The producers' meetings will permit, first, a thorough discussion of the fundamental facts of the corn-hog situation, and, secondly, a direct vote of producers to express their convictions as to whether a 1935 program should be undertaken to maintain the adjustment accomplished this year.

"There is a danger that both acreage and production of corn, our principal feed grain, may be excessive in 1935, if no adjustment program is in effect. Material adjustments in live stock numbers will have been made by the end of this year, but, on account of low yields, occasioned by drought, feed grain supplies will be below normal. As a consequence, feed prices have been advancing at a faster rate than live stock prices, and this is setting the stage for an over-planting of crops, particularly corn, in 1935. With live stock numbers down, a corn crop no larger than the average of the past few years would mean excessive production and low feed prices. This would stimulate a substantial increase in live stock production, particularly of hogs, which undoubtedly would mean much lower live stock prices along in 1936 or 1937. This is the outlook which farmers will need to consider carefully in their local referendum meetings."

Final reports on the poll of corn-hog producers will be compiled as soon as possible after the referendum meetings are held.

"If there is to be a program in 1935, it is important to complete the local meetings as soon as possible in order that the work of developing a detailed program may be started promptly and the contract presented for sign-up this fall," Mr. Davis stated. "In case opinion is favorable to a program in 1935, any contract that is developed will be made available to all eligible producers whether or not they signed a contract in 1934".

CORN-HOG REFERENDUM NOW UNDER WAY

Arrangements for holding the referendum meetings of corn-hog producers on plans for 1935 already are under way in the principal corn and hog-producing areas. It is expected that the first community meetings will begin within the next 10 days, according to word received from a number of State corn-hog officials by A. G. Black, chief of the Adjustment Administration corn-hog section.

A series of district meetings, beginning early next week, at which county corn-hog control association officials, county allotment committeemen and extension workers will outline detailed plans for conducting the referendum locally, have been called in Indiana, Illinois, Iowa, Missouri, Ohio and Nebraska. Other States are at work on similar plans. Community meetings are scheduled to be held in all parts of the country during the two weeks' period ending October 12.

At the community meetings of producers, the fundamental facts of the current corn-hog situation and the outlook for 1935 will be thoroughly discussed and a vote will be taken as to whether the 1934 corn-hog program should be

followed by a program to maintain the adjustments made this year and to prevent a return to excessive levels of production. Corn-hog contract signers will indicate by written ballot whether they favor an adjustment program dealing with corn and hogs in 1935 and whether they favor a one-contract per farm adjustment program dealing with grains and livestock to become effective in 1936.

"At the series of regional meetings with representatives of the corn-hog producers in the past ten days", Mr. Black said, "strong support developed generally for the inclusion of hog adjustment in a 1935 program. Farmer representatives advocated this inclusion partly to prevent undue increases in individual cases in areas where adequate feed is available and partly to support the purpose of the Adjustment Act in raising hog growers' income toward parity levels. For these reasons and in view of the strong grower sentiment, the basis of the referendum has been modified since the regional conferences so that it now looks toward the inclusion of hogs with corn in the 1935 program.

"We want the benefit of the referendum vote, and of the discussion among corn-hog contract signers in their production control association meetings all over the country. Farmers will decide whether we are to have a program. Their discussions will help in shaping the details of any contract to be offered.

"In connection with the balloting on the question as to plans for 1935, therefore, it will be explained that, in case a program is developed, it likely will deal with both corn and hogs and will follow the general outline of the program this past year, although the benefit payments may not be the same as in 1934. In view of the fact that it may be desirable to increase hog production moderately during the next several years, and as farmers in drought areas will want to build up reserves of hay and grain feeds, the percentage of adjustment from the 1932-33 base production, specified in any program developed for 1935 would not be greater than that required in the 1934 program and might be less. If producers pass favorably on a plan for 1935, it will be the aim of the Adjustment Administration to confer further with representatives of producers in developing the details of the program to offer the contract for sign-up sometime before the end of this year and to speed up administrative procedure wherever possible.

"The second question in the referendum pertains to the recurring suggestion that a general one-contract program be developed which would shift agriculture from several single-crop contracts to a broader program encouraging better systems of farming, and providing flexible control over the combined acreage of the several basic crops of wheat, corn, barley, rye, grain sorghums and flax. Some farmers favor an immediate shift to a program of this sort, but, of course, it is not possible now to prepare a contract which will include all basic grains for the 1935 crop year. The wheat contract already covers 1935 and seeding is now under way.

"The contract under any general program should be offered to eligible producers not later than early July prior to the crop season in which it is to be effective. Thus, if producers are to have a general program developed in time to apply in the 1936 crop year, it is essential that they be given

an opportunity now to express this desire in order that suitable plans may be under consideration by producer representatives and the Administration this fall and winter."

The questions to be considered and voted on by corn-hog producers at local meetings and the explanatory notes to be read by the meeting chairmen before the vote is taken are as follows:

1. Do you favor an adjustment program dealing with corn and hogs in 1935?

    This question relates to the principle of production adjustment and does not involve an expression of opinion concerning any specific program. In any program dealing with corn and hogs in 1935, benefit payments would not be the same as they were in 1934; 1935 benefits would probably be somewhat larger for corn and materially less for hogs than were paid under the 1934 contract. A 1935 program would probably follow the general plan of the 1934 program and would include benefit payments on both commodities. Contracted acres could be used for any hay, pasture, forage, fallow or woodlot purpose without restriction. Basic crops would not be produced upon contracted acres. The percentage of adjustment from the 1932-33 base production would not be greater than that required in the 1934 program and may be less.

2. Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1936?

    It has been frequently suggested that a program be developed which will bring all grains under one contract. Such a program would involve the six grain crops named as "basic" in the Adjustment Act - wheat, barley, rye, corn, grain sorghums and flax. It would represent a shift from several single-crop contracts to a broad program of developing better systems of farming through less intensive use of land, conservation of soil resources, and the use of land for production of crops for which it is best adapted. A one-contract-per-farm program could provide the desired degree of control over the combined acreage of the several crops involved and yet be flexible enough to permit as much freedom of action on the part of cooperating farmers as is consistent with the objective of maintaining the proper balance between production and effective demand. A one-contract-per-farm program would be financed by processing taxes on grains and livestock and might or might not include the direct control of livestock. There is not time to develop this kind of program for presentation to producers this fall, but it has been suggested that such a program be developed for 1936 and after.

CORN-HOG PAYMENTS EXCEED $78,000,000

Producers cooperating in the corn-hog adjustment program had received up to September 14 more than $78,500,000, or nearly 60 percent of the total first instalment of approximately $133,000,000 now being paid to farmers participating in the 1934 corn-hog adjustment program. Thus far checks, have been mailed to over 800,000 contract signers in 39 states. Approximately 1,200,000 corn-hog contracts were signed by farmers.

From September 8 to September 14, inclusive, corn-hog adjustment payments approximated $15,867,259, the preliminary report shows. In one day, September 12, checks totaling over $3,700,000 were mailed to more than 38,500 producers.

Up to September 14 a total of 829,641 contracts had been received and released for payment by the rental benefit audit section of the Agricultural Adjustment Administration. Of this total number, 129,516 were early payment contracts received from 514 counties, and 700,125 were of the regular payment type approved for payment in 1,619 counties.

The 829,641 contracts received and released for payment up to September 14 represent about 70 percent of the total of approximately 1,200,000 contracts signed by corn-hog producers in the 1934 program.

Payments up to September 13 were made to producers in 39 states, as follows: Alabama, $183,604; Arizona, $17,168; Arkansas, $301,156; California, $709,160; Colorado, $138,178; Connecticut, $2,001; Delaware, $12,883; Florida, $117,257; Georgia, $63,526; Idaho, $34,819; Illinois, $3,107,859; Indiana, $6,427,190; Iowa, $20,541,771; Kansas, $4,404,335; Maryland, $119,290; Massachusetts, $150,678; Michigan, $153,849; Minnesota, $5,072,151; Missouri, $7,771,464; Montana, $86,513; Nebraska, $7,177,712; Nevada, $25,079; New Hampshire, $1,468; New Mexico, $83,342; New York, $5,217; North Carolina, $26,398; North Dakota, $259,331; Ohio, $6,862,953; Oklahoma, $245,239; South Carolina, $152; South Dakota, $4,198,942; Tennessee, $151,336; Texas, $743,210; Utah, $61,801; Vermont, $3,698; Virginia, $610,132; Washington, $285,193; West Virginia, $69,810; Wisconsin, $2,330,863.

TO CONDUCT FEED INFORMATION CENTER

The Bureau of Agricultural Economics of the United States Department of Agriculture will conduct the feed information clearing house at Kansas City as a function of the Federal Livestock Feed Agency, in the hay, feed and forage program designed to assure adequate supplies of livestock rations for the drought areas during the winter, the Agricultural Adjustment Administration has announced.

Because of the Bureau's facilities for gathering, interpreting and disseminating information on farm products, the Adjustment Administration requested the cooperation of the Bureau. According to the plan agreed upon between Nils A. Olsen, chief of the Bureau, and Col. Philip G. Murphy, chief of the Commodities Purchase Section, the Federal Livestock feed agency will be operated at Kansas City in connection with the Hay Feed and Seed Division

office of the Agricultural Economics Bureau's office there. E. O. Pollock of the Bureau staff will be in charge of this branch office of the clearing house, under the direction of W. A. Wheeler, chief of the hay, feed and seed division.

The agency will clear information with regard to hay, grain, forage and other feeds for livestock. The duties of the clearing house will be entirely informational in character. It will gather information as to location of feed supplies in areas where there is a feed surplus, and data on needs in areas where there is deficit of feeds. Contact will be made with producer, manufactures and distributors of feeds to arrange for distribution and to assist in directing applicants for feed in the best sources of supply. Periodical survey of supplies of all livestock feeds will be made by the clearing house.

County agricultural committees will furnish the clearing house estimates of the feed requirements for their counties which must be supplied from outside areas. The clearing house through its lists of supply sources including grain dealers, feed dealers and shippers in the outside areas, and lists of distributing agencies including dealers in the drought areas will then be able to inform inquirers where the best supplies of feeds, with respect to price, quality, suitability and shipping costs, can be obtained.

Reports will be issued relative to supplies, prices, market movements, demand, and other essential facts. Information will be distributed in the drought areas regarding corn fodder, soybean, lespedeza and other forage crops that have been purchased or upon which the government has placed a guaranteed price.

The Adjustment Administration has also announced a revision of prices for corn fodder and corn stover in connection with its program to provide a market for these products. The program to encourage producers to harvest, cure and prepare corn fodder and stover to help the feed situation, is being carried on in Illinois, Iowa, Minnesota, Indiana, Missouri and Ohio. Under this program the Government will buy such amounts of these products as have been harvested under individual contracts with farmers and within allotments to them, and which remain unsold on April 1, 1935. The new schedule lowers the minimum prices on fodder 50 cents and increases the maximum on stover 50 cents.

The revised schedule of prices follows:

	Price per Ton	
	Whole	Shredded
No. 1 Corn Fodder (entire plant)	$8.00	$9.00
No. 2 Corn Fodder (entire plant)	7.50	8.50
No. 1 Corn Stover or Sweet Corn Stover (ears removed)	7.50	8.50
No. 2 Corn Stover or Sweet Corn Stover (ears removed)	7.00	8.00

AUTHORIZATION FOR RELIEF BUTTER PURCHASES

New authorization for the purchase of substantial amounts of creamery butter from appropriations made available to the Agricultural Adjustment Administration by the 73d Congress has been announced by Administrator Chester C. Davis, with the approval of Secretary of Agriculture Henry A. Wallace.

As rapidly as bids are received and accepted, the butter will be moved from regular trade channels into the winter reserve stocks for delivery to the needy and unemployed on relief rolls throughout the country. No definite commitment of the number of pounds of butter to be thus taken from commercial channels during the winter season is made at this time by the Administration.

The Adjustment Administration's purchases of butter which had been delivered up to September 14 and paid for amounted to 47,848,306 pounds, at an approximate value of $10,561,312, all of which has been distributed through the Federal Emergency Relief Administration. This does not include separate purchases of butter made last winter by the Federal Surplus Relief Corporation.

In addition to the butter delivered, there remain to be delivered a total of 3,053,651 pounds of butter, costing approximately $885,063, or a total of butter purchases amounting to 50,901,957 pounds through the Agricultural Adjustment Administration funds. The purchases newly authorized today will be all handled on bids. Large portions of the purchases of last winter were made through the Dairy Maketing Corporation and another agency on the primary markets under authority of the Secretary.

The Administration has also bought and received delivery on 6,047,451 pounds of American cheese at an approximate cost of $884,418, and has yet remaining subject to delivery on order 324,589 pounds additional cheese at a cost of about $55,019.

An authorization has also been made by the Administration out of its available appropriations to buy 2,805,000 pounds of domestic Swiss cheese at an approximate cost of $600,000. This purchase was made at the request of producers in order to help relieve an accumulated surplus of Swiss cheese on the shelves of farm factories, and is made on bids already issued by the Federal Surplus Relief Corporation.

The light carry-over of storage stocks on May 1, 1934, was largely due to the Government purchase program of last winter. On September 1 of this year storage stocks amounted to 120,000,000 pounds. This amount was not only about 55,000,000 pounds below the record holdings of September 1, 1933, but was also 20,000,000 pounds below the average holdings of September 1 for the past five years.

The lower storage holdings this year were the result of light production during the summer months and a slight increase in consumption during that period.

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TWO GEORGIA MILK LICENSE HEARINGS SCHEDULED

Hearings on proposed milk licenses requested by producers' associations for the sales areas of Atlanta and Macon, Ga., have been scheduled by the Agricultural Adjustment Administration, Harry C. Cook will represent the Secretary of Agriculture at both hearings. The Atlanta hearing is to be held September 24, and the Macon hearing on September 27.

The sales area defined in the license for Atlanta includes all of the city proper and territory in De Kalb, Fulton and Cobb counties. The request for a license by the Adjustment Administration was made by the Georgia Milk Producers' Confederation and the Cooperative Raw Milk Association, together representing about 95 per cent of the milk volume on the market. The sales area has a population of about 400,000. There are 13 pasteurizing distributors handling about 40 per cent of the volume and 275 producer-distributors selling 60 per cent of the milk in natural form. The license is drafted to include an equalization pool with the base and surplus method of payment to producers. Producer-distributors are excluded from the pool computations up to the extent of their allotted base, to be established by the market administrator. No resale prices to consumers are contained in the license.

The Macon sales area named in the proposed license includes the city of Macon and Godfrey, Howard, East Macon and Vineville in Bibb county. The license was requested by the Bibb County Dairymen's Association, which handles 95 per cent of the volume for the area. The market plan defined in the proposed license is a straight equalization pool without base and surplus.

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PREPARING TO PAY NEXT WHEAT CHECKS

The first 1934 wheat adjustment payment of 20 cents a bushel on each cooperating farmer's allotment is being made by the Adjustment Administration. Cooperating wheat farmers have been authorized to increase their plantings 5 percent above those of last year, but the adjustment payment to them has been announced as the same as last year, 29 cents a bushel on each farmer's allotment, which will be the same as that of last year. The second 1934 payment, of 9 cents a bushel, less local costs, will be made next year, after compliance is checked.

The second 1933 payment is being mailed as rapidly as compliance certificates on this year's contract are audited and approved. According to the wheat contract, the first 1934 adjustment payments, totaling approximately $70,000,000, are scheduled to be made in October. It will be unnecessary to audit contracts or compliance certificates before making this first 1934 payment, George E. Farrell, chief of the wheat section, said. "Last fall the original contracts had to be approved before checks could be written. This summer we have checked the compliance certificates very carefully. As soon as a compliance certificate is audited, punch cards used in the check writing machines are punched to show the amount which should be paid on the first 1934 installment. This means, that, as the auditing of compliance certificates is completed, all that remains necessary for the payment of the 1934 first

installment will be to write the checks from the office records without any contract or certificate auditing. It is possible that there may be some delay as a result of incompletion of compliance certificates, but these are being audited as rapidly as possible and payment on them is going forward steadily."

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COTTON PRODUCERS' COMBINED ADJUSTMENT-PARITY PAYMENTS

The third payment in the 1934 cotton adjustment program designated in the adjustment contract as the "parity" payment, due during December, will be combined with the second installment of the rental payment, and both will be distributed beginning in October, it is announced by the Adjustment Administration.

The "parity" payments to contracting cotton producers total $28,000,000 and the second installment of the rental payment is approximately $44,500,000. By combining the payments, approximately $72,500,000 will be distributed to contracting cotton producers beginning in October. It is believed that the majority of these payments will be distributed during that month.

"Payment of the second and third installments due under the cotton contracts was combined in order that the distribution of the payments to the interested parties might be more easily and more promptly effectuated," C. A. Cobb, chief of the cotton production section, said. He pointed out that tenants and share croppers had an interest in the "parity" payment and that to delay the payment into December, the usual season for many tenants and renters to move to other farms, would cause unnecessary complications.

Of total 1934 benefits estimated at $117,052,539, payments on the first installment totaled $41,061,775 up to September 14, leaving payments yet to be made to farmers on the 1934 cotton program of $75,990,764.

The first installment was one-half of the rental payment, with the second payment to be the remainder of the rental. The third installment is a parity payment, calculated on the basis of 1 cent a pound on the estimated share of each farmer's average past production which enters domestic consumption.

Total estimated rental and parity payments under the 1934 cotton program, the amount of benefit payments made to date, and the payments remaining to be made, by States, are given in the following tabulation:

State	Estimated Total 1934 Benefits	Paid to Sept. 14	Estimated Balance to be paid
Alabama	$11,604,248	$ 3,800,932	$ 7,803,316
Arizona	985,472	280,574	704,898
Arkansas	11,474,292	4,017,630	7,456,662
California	1,349,691	448,433	901,258

State	Estimated Total 1934 Benefits	Paid to Sept. 14	Estimated Balance to be Paid
Florida	$ 285,175	$ 101,047	$ 184,128
Georgia	9,362,254	3,620,944	5,741,310
Kansas	2,782		2,782
Kentucky	65,200	22,586	42,614
Louisiana	6,333,596	2,234,204	4,099,392
Mississippi	12,639,581	4,526,015	8,113,566
Missouri	1,932,815	640,071	1,292,744
New Mexico	728,422	243,590	484,832
North Carolina	5,677,351	2,030,831	3,646,520
Oklahoma	8,526,050	2,626,996	5,899,054
South Carolina	6,950,338	2,548,211	4,402,127
Tennessee	3,804,447	1,370,270	2,434,177
Texas	35,030,606	12,445,152	22,585,454
Virginia	300,219	104,289	195,930
TOTAL	$117,052,539	$41,061,775	$75,990,764

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BETTER TRADE PRACTICES IN CODE FOR COTTON WAREHOUSES

The elimination of certain unfair trade practices in the cotton compress and warehouse industry is sought in the proposed code of fair competition for the industry, which has been submitted to the Adjustment Administration. A public hearing on the proposed code has been set for September 25, in Washington.

For purposes of administration, members of the industry would come under three divisions, depending on the type and location of establishment. According to the proposed code, a separate divisional code authority would be set up for the following groups within the industry: interior warehouses, interior warehouses and compressors, port warehouses and compressors.

Each division will have a code authority of three members each, elected on the basis of facilities, and the national code authority will be comprised of these three divisional authorities, resulting in a national code authority of nine members.

Among the unfair trade practices which the industry seeks to prohibit through the code are the taking of excess samples, false weighing, the extension of unwarranted credit, the classing of cotton by other than official classers, the issuing of tags without actual cotton being stored, and deception and subterfuge.

In addition to the unfair practices specified by the industry, amendments and additions to the code submitted by the Adjustment Administration would limit the persons who have access to cotton in warehouses, would prohibit

the "stretching" of warehouse capacity by storing cotton in unfit warehouses or outside, would have rates reported quarterly and published, and would have the proceeds from "loose cotton" prorated to those who use the warehouse. Wage and labor provisions are a part of the proposed code.

The proposed code was developed by the industry, in cooperation with the cotton processing section, represented by George B. L. Arner and E. O. Fippin.

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PLAN FOR ELECTING NEW MILLING CODE AUTHORITY

A new code authority to administer the code of fair competition for the wheat flour milling industry is to be elected by November 1, this year, under the terms of a code authority election plan submitted by the temporary code authority for the industry, C. H. Cochran, acting chief of the grain section of the Agricultural Adjustment Administration has announced. The plan has been approved by Secretary Wallace and General Hugh S. Johnson, Administrator of the National Recovery Act.

Under the plan as approved, a code authority of 16 members is to be chosen from 10 regions, each region's representation to be based on its total daily flour milling capacity. Each miller voting for regional representation votes in proportion to his output for the last calendar year. Each member of the industry is entitled to one vote for each 10,000 barrels or less of annual output for the last preceding calendar year, provided other code obligations have been met. Where a member of the industry has plants in different regions, only the production in each region may be voted. No mill is to have more than one representative on the code authority even though it may have producing plants in more than one region.

The new code authority is to hold office until the spring of 1936, after which elections will be held each spring.

For purposes of code administration, the country is divided into 10 regions. Regionsl having a daily capacity of approximately 150,000 barrels of flour are entitled to three members; regions having a daily capacity of approximately 100,000 barrels are entitled to two members; regions of substantially less than 100,000 barrels daily capacity are entitled to one member. On this basis, the Northwest and Southwest regions will be represented by three members each; the North Central and Northeastern by two members each; and the Piedmont, Southeast, South Central, Texas-Oklahoma, Inter-Mountain, and Pacific Northwest regions by one member each.

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TO PREVENT PRICE-CUTTING IN MILLERS' CODE

The prohibition against destructive price-cutting, written into the code of fair competition for the wheat flour milling industry but stayed by the President at the time the code was signed, has been made effective through

lifting the stay on the provision by the President, the Agricultural Adjustment Administration has announced. Provision for such action was made in the code.

The stay of the provision against destructive price cutting practices was lifted by the President in a supplementary Executive Order at the request of the code authority of the milling industry and on the recommendation of the Secretary of Agriculture. The Secretary's investigation did not reveal any emergency in the milling industry which calls for lifting the stay against that section of the code declaring sales below a stop-loss basis to constitute destructive price cutting and prohibiting such sales. The stay against the stop-loss provision of the code cannot be lifted without the finding of such an emergency by the Secretary.

Consequently, the new Executive Order issued by the President applies the prohibitive clauses of the code only against destructive price cutting and does not invoke the provision relating to sales on a stop-loss basis.

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COTTON POOL FORMS TO COUNTY AGENTS

Forms are being mailed to county agents in the cotton belt to enable 455,000 members of the cotton producers' pool holding certificates covering 1,950,000 bales of cotton to obtain an additional advance of 2 cents a pound or to offer their certificates to the pool for sale, it is announced by Oscar Johnston, manager of the Cotton Producers' Pool of the Agricultural Adjustment Administration.

Mr. Johnston stated that under the procedure that has been developed, together with the government's offer to lend producers 12 cents a pound on low middling cotton at interior points, it is not believed that the transaction with reference to the pool cotton will have an adverse effect upon marketing of the 1934 crop or such of the 1933 crop as is still in the hands of the producers

Mr. Johnston further stated that, in his opinion, the majority of certificate holders will take advantage of the offer of 2 cents a pound and retain their interest in the pool, thus obviating the necessity of the pool manager's disposing of a large quantity of the cotton held in the pool. He stated, however, that some pool members would be desirous of immediately disposing of their certificates at the present market level, and that it would therefore be necessary for the pool manager, from time to time, to sell so much of the cotton under his control as may be necessary to meet the demands of certificate holders whose certificates are purchased.

As previously announced, Mr. Johnston pointed out, arrangements have been completed for the sale of all low-grade, non-tenderable cotton in the pool to the Federal Surplus Relief Corporation for use in relief activities, this being the character of cotton required for the manufacture of mattresses and for similar purposes. This sale, he stated, will reduce to that extent the quantity of cotton which it may become necessary to market. It is not contemplated that, in addition to this, there will be a very great proportion of pool cotton offered to the market.

"Should certificates be offered to such an extent as to affect the market adversely", Mr. Johnston stated, "the pool manager reserves the right to reject the certificates or withhold purchasing them until market conditions justify accepting them and selling the cotton."

In announcing that the forms were being mailed to county agents for use by holders of the participation trust certificates, Mr. Johnston made the following statement:

"The first of these forms, known as Form C-5 F, is intended for use by the holders of pool certificates who desire to sell the certificates to the pool manager. Those holders who desire to sell will procure this form from their county agent, fill in the appropriate space with the date on which they wish the sale to become effective, sign the form, attach thereto the participation trust certificate properly endorsed and mail it to the Manager, Cotton Pool, Agricultural Adjustment Administration, Washington, D. C. Upon receipt of these forms, the pool manager, at his discretion, will purchase the certificates, fixing the purchase price at market quotation on the Cotton Exchange, during the day indicated in the form offering the Certificate. From the purchase price, there will be deducted 10 cents per pound, or $50 per bale, to cover the obligation of the certificate holder to the pool There also will be deducted, 6 points or 30 cents per bale per month from February 1, 1934, to the month on which the price was fixed to cover carrying charges, and a check for the balance will be sent to the certificate holder.

To illustrate this, at present October will be used as the cover month. At the close of the market September 20, October was quoted at 12.62. Had a certificate been purchased at that figure the value would accordingly have been $63.10 per bale. From this would be deducted 10 cents a pound, or $50 per bale, and 30 cents a bale per month from February 1 to October 1, a total of 49 points or $2.40 per bale, a total deduction of $52.40, leaving a net balance of $10.70 to the certificate holder for his certificate for one bale. Under this transaction, the certificate is surrendered and cancelled and the holder has no further interest in the pool. The pool manager will withdraw from the pool and dispose of the quantity of cotton covered by the purchase of the certificate.

"The other form, known as C-5 H, is intended for use by those certificate holders who instead of selling their certificates and terminating their interest in the Pool wish to take advantage of the offer to advance an additional 2 cents a pound or $10 a bale. This form authorizes an amendment to the contract upon which the pool was established and requests the pool manager to obtain additional funds necessary to make a further advance of $10 a bale to the certificate holder. Certificate holders who obtain this advance will retain their interest in the pool and will be given new certificates evidencing this interest which they may thereafter sell to the pool manager and receive the market value less 12 cents a pound and carrying charges at the rate of 30 cents a bale per month after October 1, 1934."

Mr. Johnston explained that the amount that would be received by pool members obtaining the 2-cent advance would be $7.60 a bale net. The sum of $2.40 is deducted for carrying charges up to October 1. Those who obtain the

2-cent advance will be entitled to any further advance that may occur in the market, and will be permitted at a later date to sell their certificates, should the market reach a more satisfactory level. Mr. Johnston emphasized that, in his opinion, the majority of pool members would obtain the 2-cent advance and retain their interest with the prospect of receiving additional benefit of any rise in the market.

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DATE SHIPPERS' LICENSE AMENDED

Approval of a schedule of package standards in accordance with the terms of the marketing agreement for shippers of California dates, and amendments to the license for California date shippers have been announced by the Adjustment Administration. The amendments to the license, signed by Secretary Wallace, became effective September 18.

The amendments provide for the establishment of six grade classes for all varieties of dates, representing a simplification and clarification of the 13 grades originally listed. The approved grades are divided into six classes, perishable, standard, dry, true bread dates, culls, and off-grades. Provision is also made for package standards controlling the type and size of package in which dates may be marketed.

The marketing agreement which became effective June 8 provided that the control committee submit to the Secretary a schedule of package grades.

# # #

MICHIGAN AND COLORADO SUGAR BEET LABOR HEARINGS

As a preliminary step in formulating the labor policy which will be followed by the Agricultural Adjustment Administration in its sugar beet program, public hearings on proposed labor provisions of the sugar beet benefit contract have been scheduled in Michigan and Colorado, the Sugar Section of the Administration has announced.

Notices of the two public hearings were signed September 17 by Secretary Wallace. The Michigan hearing was held at East Lansing, September 21. The Colorado hearing will be held in Denver September 25. Interested parties will be given opportunity to be heard regarding the specific labor provisions proposed to be included in the sugar been benefit contract which is soon to be offered to domestic beet growers.

The proposed terms are:

(a) The prohibition of the labor of children, other than the children of the grower, under the age of 14 and the regulation of the labor of children, other than the children of the grower, under the age of 16 in the cultivation and/or harvesting of sugar beets.

(b) Agreement by the grower that he will abide by the decision of the Secretary of Agriculture with respect to minimum wages for workers employed by growers for the seasons of 1935 and 1936, such decision of the Secretary to be rendered after due notice of an opportunity to be heard at a public hearing.

(c) Agreement by the grower that he will abide by the decision of the Secretary of Agriculture with respect to any labor dispute involving the grower in connection with the cultivation and/or harvesting of sugar beets of the grower when any such dispute has been presented to the Secretary by the grower or any other party and the Secretary has determined to adjudicate such dispute.

(d) Proper provision to be made for the payment by the grower to workers of any compensation bona fidely due to workers in connection with the cultivation and/or harvesting of sugar beets in 1934.

According to the proposed terms, the Secretary proposes not to set minimum wages until after further specific public hearings have been held. To follow this procedure for wages covering the 1934 season would mean a holding up of benefit contracts and subsequent payments to growers, sugar section officials said. To obviate such delay, it is proposed that for the 1934 season there be included in the benefit contract a provision that growers who sign contracts will be eligible for benefit payments made under the contracts only if the contracting grower can show that he has tendered to his workers for the 1934 season written contracts providing for the payment of fair and equitable wages to such workers for the cultivation and/or harvesting of this season's beets.

Eligibility of growers to receive benefit payments would also depend upon the growers' complying with such written contracts as they have entered into with their workers for the 1934 season.

# # #

SOUTHERN RICE QUOTAS ELIGIBLE FOR FULL BASE PRICE ON SALE

Southern rice producers will receive the full base price, at time of sale, for their allotted production under the rice adjustment program of the marketing agreement for the Rice Industry of Texas, Louisiana, Arkansas, and Tennessee, according to terms of Rice Administrative Order No. 2, signed by Secretary Wallace.

The procedure established by the order supplements the check-off method of payment provided in the agreement, in the case of rice sales within a grower's quota, making it possible for producers to receive 100 per cent of the base price stipulated in the agreement upon delivery of rough rice to mills, up to the amount of the individual quota assigned them under the adjustment program. Under the check-off plan, producers were to receive 60 per cent of the base price on delivery of rice, and 40 per cent of the price was to be remitted by

millers to a trust fund, for distribution to cooperating growers after compliance with terms of the adjustment program had been determined.

Under the order, millers operating under the marketing agreement are now required to submit evidence of purchases within individual quotas, in the form of Rice Sales Certificates, surrendered by growers at the time of selling their rice. These certificates are acceptable by the trust fund in lieu of payments of 40 per cent of the base price on rice purchases. Thus, the check-off payment feature remains in force for rice in excess of quota, or for which no quota has been assigned, and such rice will be paid for at 60 per cent, with remittance of 40 per cent to the trust fund required.

Quota cards, which shall be used to obtain sales certificates at time of rice sales, will be issued by the Rice Section to every producer to whom a quota for production of rice in 1934 has been assigned by state committees. This quota card will bear the name of the producer, the serial number of his application, and the amount of rice for which he will be paid the full base price.

The procedure by which growers will receive immediate payment under the modified sales plan is as follows:

Upon sales of rice to a mill the producer will receive 60 per cent of the base price and a sales slip (Form Rice X-1) showing the amount of rice sold. The producer should take the sales slip on his quota card to an agent authorized by the Secretary of Agriculture. If the amount sold is not in excess of the producer's unused quota, the agent will issue a Rice Sales Certificate (Form Rice-24) for the amount of the sale.

The producer should then turn the Rice Sales Certificate over to the miller, and upon its surrender, will receive the 40 per cent due upon the sale of quota rice. When the full amount of a producer's assigned quota has been sold, the quota card will be taken up by the Secretary's agent.

The miller shall send the Rice Sales Certificates surrendered by growers, together with other reports required under the marketing agreement, to Washington in lieu of the 40 per cent of the purchase price of such rough rice, as required in Article VIII of the marketing agreement.

As all individual quotas have been assigned to producers cooperating in the rice adjustment program, the first quota cards should be in the field shortly after approval of the forms, according to rice section officials. They expect to expedite the distribution of the cards to those areas now selling rice, so that delay in disbursement of the base agreement price on eligible production will be minimized.

Agents authorized to issue Rice Sales Certificates and to record sales on Quota Cards will be designated immediately by the Adjustment Administration. They will be stationed at convenient points, soon to be announced.

# # #

CALIFORNIA BEET FACTORY CONTRACTS FOLLOW ACREAGE ALLOTMENTS

Sugar beet processors from California have agreed, in conference with officials of the Sugar Section, to withhold offering 1935 beet purchase contracts to growers until growers' acreage allotments are developed by the Sugar Section from the growers' past records of performance, the Agricultural Adjustment Administration has announced.

Those acreage allowments are to be ascertained and included in the benefit contracts between the Secretary of Agriculture and growers under which cooperating growers will receive benefit payments. It is expected that benefit contracts will be offered by the Secretary to beet growers within the next two months and, because of the earlier planting season, to California beet growers during the last two weeks of October.

California processors who have been in conference with John E. Dalton, chief of the Sugar Section to discuss the sugar beet program as it applies to processors in California, include Wiley Blair,Jr., and G. J. Daley, Holly Sugar Corporation; C. T. Lund, W. N. Wilds and H. E. Zitkowski, American Crystal Sugar Co.; C. J. Moroney, Spreckels Sugar Co.; C. L. Preisker, Union Sugar Co.; and G. J. Strodthoff, Los Alamitos Sugar Co.

In order to enable growers to have the maximum acreage permitted under the marketing allotments to processors and, in order to enable processors to obtain sufficient acreage to produce their full marketing allotments, it was agreed that it would be necessary for cooperating growers in California to decide by November 1 their plans as to the growing of beets in 1935.

In case growers' acreage allotments established by the Secretary for California are not contracted for by November 1, these unused allotments are to be reallotted, subject to the Secretary's approval, to old cooperating growers desiring to increase their allotments, or to new growers.

The acreage to be planted in each factory district is to be an amount sufficient to produce, on the average, the sugar which such factory district will produce within its marketing allotment for 1935.

# # #

TO AID PRODUCERS OF SUGAR CANE FOR SYRUP

Plans for a program for commercial producers of sugarcane for syrup are being developed by the Sugar Section of the Agricultural Adjustment Administration. As a preliminary step, questionnaires have been sent to syrup mills for the purpose of obtaining basic information as to the tonnage of cane purchased for syrup, the number of gallons of syrup made by mills operating on a gallonage basis, and other data.

It is anticipated that the syrup program will include a contract between the Secretary of Agriculture and commercial producers of sugarcane for syrups. Under the contract, payments may be made to cooperating eligible growers who deliver cane to syrup mills in 1934.

It was also announced that payments to eligible sugarcane producers in Louisiana whose cane is used for syrup by mills ordinarily making sugar would be made through the sugarcane program for Louisiana which is now under way. All other eligible producers of sugarcane for syrup in Louisiana and other states will receive payments through the regular sugarcane for syrup program. Syrups made from sorghum cane are excluded from the sugar operations under the Costigan-Jones Act, and therefore are not involved in this program.

# # #

PHILIPPINE SUGAR MARKETING AGREEMENT HEARING

September 18 was set by Secretary Wallace as the date for a public hearing on a proposed marketing agreement and license covering sugar in the Philippine Islands. The hearing was held in Manila, P. I. Thurman Arnold and Carl M. Rosenquist, representing the Agricultural Adjustment Administration in the Philippines in connection with the sugar adjustment program, presided.

The proposed agreement is between the Secretary of Agriculture and millers, refiners and handlers of centrifugal sugar in the Philippine Islands. Under the agreement, as proposed, sugar millers would agree to mill no more cane than that allotted to them, and to mill no cane for any planter who does not have definite allotment. Millers would also cease milling cane for any planter when the allotment for that planter had been filled.

Signatories to the agreement as proposed would agree to assist the Governor-General of the Philippine Islands and the Secretary of Agriculture in the enforcement and administration of the Costigan-Jones Act by supplying data, setting up uniform systems of records, and making appropriate investigations with reference to ownership of lands.

Refiners would agree not to manufacture refined sugar in excess of the total amounts allotted to them for shipment to the United States and local needs. Handlers would agree not to transport or market into the continental United States any raw or refined sugar not identified with a quota. Contracting parties would also agree that no sugar is to be shipped by them into the continental United States from October 15, 1934, to December 31, 1934.

A control committee would be established, composed of a representative of the Secretary, a representative of the sugar producers, and a representative of the handlers to supervise the performance of the agreement.

The proposed license, if issued by the Secretary of Agriculture, will contain substantially the same provisions as the marketing agreement, and will apply to all millers, refiners and handlers of centrifugal sugar in the Philippine Islands.

# # #

HATCHERY CODE CHANGES SUGGESTED AT HEARINGS

Methods for the prevention of unfair methods of competition and destructive price-cutting at chick auctions were proposed by the industry at a public hearing on proposed amendments to the hatchery code, which closed last September 20 in Washington.

At the hearing, an amendment was proposed to change the provisions of the code which prohibit sales below the producers' or sellers' cost of production. Representatives of the industry from Pennsylvania contended that a minimum price clause was necessary to the code to preclude price cutting and unfair competition at auctions. Opponents of the proposed amendment declared that establishment of a minimum price would endanger the value of chick quality and price gradings, as it would tend to become the standard price.

An amendment providing that the hatchery's name and code number be placed on all shipments of chicks was also presented by the industry.

Other proposed amendments and changes in the code would require the hatchery's code number on all advertising matter, substitute a 72 hour notice limit for acknowledgment of orders and receipts to customers, in lieu of the proposed 24-hour limit; change the method of selecting the coordinating committee in order to obtain more equitable representation of the industry, and change the terminology of the code to bring it into conformity with the proposed national plan for uniform terminology.

All of the proposed changes will be taken into consideration in drafting amendments to the code.

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